

8 September 1953

MEMORANDUM FOR THE RECORD:

SUBJECT: Conferences with []

1. On 6 and 7 September meetings were held in []

[] New York City, with []

and []

2. Subject left Guatemala, a []

[] He joined [] and directed operations from

there until his departure a few days ago. Shortly prior to his departure

visits were made to []

[] He was assured by

[] shipping, ports and land bases are unconditionally

available. One bomber was also offered, free. [] will continue to

allow [] to remain. [] urged subject to get on with

his movement. [] offered clandestine support and facilities for

movement of guerrilla forces []

3. A meeting was held with anti-Communist Guatemalan leader

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[] and on 14 August a written agreement was signed giving the latter's complete support. Word has been indirectly received that [] was withdrawn from any proposed revolutionary activities.

4. Organization inside Guatemala

- a. Organization is intact except for two Colonels in jail. These were charged with participation in the Salama revolt, although actually they did not support it. None of subject's organization aided Carlos Simmons at Salama.
- b. There are 53,000 anti-Communist Guatemalans organized in cells of three to five men. These in turn are in groups of 25 to 100. There are 3,000 members in the capital, 4,000 to 5,000 in the suburbs, within an hour's radius of the City, the remainder throughout the interior. Those in the suburbs are rated superior to the City people. Part of the interior has not yet been organized, for two reasons: (1) The number already raised is considered sufficient; (2) When prospects of obtaining outside aid declined

attempts to organize were called off.

c. There are two intelligence nets: (1) A line into G-2 through two officers; (2) An extensive service headed by a former

[

'3

], and for a short while

after his fall in the same position with the new Government."

d. They have five clandestine radio stations.

e. Ample supplies of chemicals have been acquired and stored away, these to be used for sabotage and the construction of bombs.

Bombs are to be used to create alarm and confusion at the proper moment.

f. Plans exist for the control or cutting of communications, capture and control or destruction of radio stations, sabotage of the Air Force, capture and use of arms caches intended for Communist labor groups.

g. There are ten regional treasurers. Each was assigned a

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quota of \$50,000. One raised the full amount, a second, \$11,000.

The total to date subscribed ¹⁵ was \$133,000. All this has been spent during the past year in the maintenance of the two nets and for propaganda. The treasury is dry and funds impossible to raise unless or until there is a general revival in the hope of success of the movement. Other funds were raised for the Carlos Simmons group, at least \$38,000 from [] and his associates, and \$30,000 for []. The failure of these two and the continual postponement of D-Day by RUFUS, has discouraged all financial support.

5. Capabilities

Subject is positive that through his intelligence service he can obtain information on each officer of the armed forces in Guatemala City, and that a plan for their individual immobilization during the critical period is feasible. Subject mentioned that many of the officers are suspicious of one another because of the system installed whereby each is required to report on the other. This opens the way to

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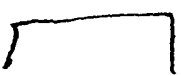

excellent PW operations on our part. The Government is doing all it can to keep the support and loyalty of the key officers by paying good salaries and giving many special privileges, including the building of homes. Capture of Guatemala City at the ^{outset} ~~outside~~ of the movement will require the immobilization or assassination of the key civilian members of the Government as well as immobilization of a majority of the officers. Subject mentioned by name and locality officers in key positions in the interior who have committed themselves to his movement. Full details are available.

6. Economic measures

~~Oil~~ stocks are estimated at between 30 and 60 days. Delays in shipments for one or two months prior to D-Day would have considerable effect. Since important quantities of oil come in [] and are shipped by rail, this source would have to be controlled, as well as entrance via Guatemalan ports. ① A second effective measure would be the delay or stoppage of shipping. The Government is in rather tight

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financial straits and depends heavily on its customs duties for revenue.

  *Shipping companies*
If the [] could delay their

shipping for a period of several weeks, this would financially embarrass

the Guatemalan Government and likewise deny certain essential supplies.


②
While

A falling off in the buying of coffee would hurt the Government, it would

have to be done in a way not to appear as an economic sanction taken

unilaterally by the U.S.

7. Political measures

 A U.S. note replying to Ambassador Toriello's charges is much in order. Subject outlined the weaknesses in the Toriello statement. He showed several newspapers from Guatemala City dated 3 September, playing up in front page headlines the Toriello statements. In his opinion, this indicates full Government support and approval and probably encouragement to Toriello. Subject believes that the threat of an OAS Conference where charges would be brought against the Guatemalan Government and with the possibility of economic measures , particularly against coffee, would have a good psychological effect. The date selected for

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the Conference could be after D-Day.

B. ~~Financial~~ *Financial Requirements*

To make maximum use of all facilities, there are the following monthly requirements:

a. To RUFUS for maintenance and training of	
military cadres	\$20,000
b. For intelligence services and other	.
operations inside Guatemala	15,000
c. For PW activities	15,000
	<hr/>
TOTAL -	\$50,000

PW activities will include the printing of a clandestine newspaper inside the country. One is now being published [] and distributed.

9. Recommendations

- a. A detailed plan and time table be prepared based on the following assumptions: (1) Ample funds available; (2) Arms and munitions available.
- b. A shipment of 8 to 10 tons of arms be made promptly to RUFUS for training purposes. These should come via the channels to be approved through [] ~~SECRET~~ and it will serve as a test of his

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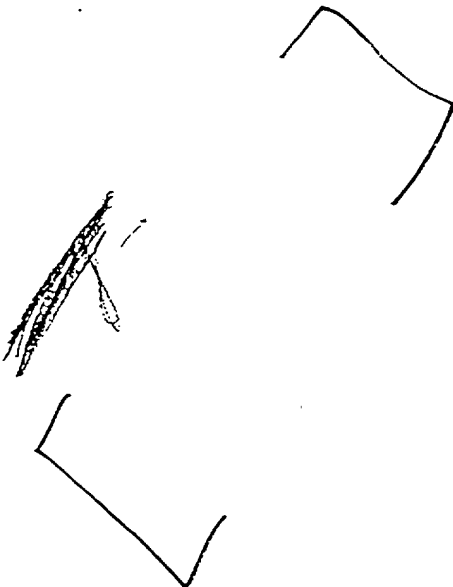
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sincerity as well as an excellent means of restoring the morale of the

RUFUS group.

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